



OFFICE OF THE CLERK/TREASURER

City of Burlington

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Approved

**BOARD OF FINANCE
MONDAY, JANUARY 3, 2011
5:10 P.M.**

Mayor Kiss convened the meeting of the Board of Finance at 5:10 p.m. with President Keogh, Councilor Wright, Councilor Paul (on telephone) and ACAO Schrader; ACAO Goodwin, Others present: Councilor Bushor, Barbara Grimes, General Manager, Electric Department, Deputy Fire Chief Bruce Bourgeois

1. Agenda

The agenda was amended to add the following:

- #6. CAO Letter from Jonathan Leopold regarding November 13, 2010 to Board of Finance relating next step for School Department Issue dealing with General Fund Paying for School Board Retirement System.
- #7. Dog Park Fees
- #8. Charity Drop Boxes
- #9. Minutes of Board of Finance Meetings
- #10. Burlington City Arts: Quadra centennial Financial Report Update

There being no further changes to the agenda, a motion was made by President Keogh, seconded by Councilor Wright to approve the agenda as amended. Motion passed unanimously.

2. Burlington Fire Department – VT Public Safety Grant Agreement

A motion was made by ACAO Schrader, seconded by President Keogh to accept the Grant Agreement and recommend approval to City Council. Councilor Bushor asked whether the City needed to comply with the provision of the grant agreement requiring that the City conduct a Single Audit since this expenditure is less than \$500,000. ACAO Schrader responded that the City is required to conduct a Single Audit annually as a matter of course and would take into account this grant; thus the City would be compliant with this requirement if it applied. Deputy Chief Bourgeois provided the Board with an explanation of the grant and a description of the equipment intended to be purchased to bring the City up to a minimum level for first response. The motion passed unanimously.

3. BED:
a. Annual General Obligation Bond 2011.

Barbara Grimes, General Manager for Electric Department, addressed the various financing needs of the Electric Department. Ms. Grimes indicated that BED did not make the Velco investment in December. She stated that, going forward, BED has two opportunities for additional equity investment. One is the \$1,150,000 which buys down the cost of East Avenue facility and the second is a \$1,525,000 VELCO annual commitment available in December 2011. Ms. Grimes stated that BED will also need to access \$7,200,000 for the matching funds for an ARRA Grant for Smart Grid. Ms. Grimes also wanted the Board to be aware that the Department has another \$6,100,000 Equity investment opportunity in December 2012. The \$6,100,000 can be postponed until the following year. If we do this all at once, we save the cost of election and the cost of doing the bond at a cost of \$50,000.

b. Additional Bonding Requirements for the March 2011 Ballot
(refer to previous memos on SMART Grid and VELCO)

Ms. Grimes addressed the Board regarding the Department's annual bonding authorization due to the anticipated need for capital projects in the near future. She stated that is desirable to increase the authorized annual borrowing from \$1,000,000 to \$3,000,000 and would like to seek this increase through a future Charter change but also for the current year through referendum. ACAO Schrader advised that the City Council could place a ballot item on the March Election but would have to act prior to January 24, 2011. Ms. Grimes briefly addressed the Departments needs in the future as it relates to wind power and renewable credits. Assistant CAO Schrader made a motion, seconded by Council Wright, to accept correspondence, place it on file and request that a resolution be prepared by the City Attorney for January 24, 2011 to allow for the placement of any bonding issues before the City Council for their consideration for the March election. The motion passed unanimously.

4. City Annual General Obligation Bond

ACAO Schrader commented that this agenda item is similar in nature to what was being requested by BED but with regards to the City's annual borrowing. After discussions with CAO Leopold, administration is currently looking at the possibility of placing a ballot item on the March election to increase the City's annual borrowing from \$1,000,000 to \$2,000,000 to cover capital expenditures as well as other expenditures that the City incurs in the normal course of business.

5. Discussion of FY2012 General Fund Budget: Process and Schedule

ACAO Schrader will attempt to provide the General Fund budget to all of City Council members and the Board of Finance tomorrow so that they have this in advance of the meeting on Thursday, January 6, 2011.

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ACAO Schrader proposed a schedule of FY2012 General Fund Budget, with a recommendation from the Board of Finance be prepared on January 20 to go before the City Council on January 24, 2011. Councilor Wright requested that a narrative be prepared ahead of time for each Department prior to the meeting. ACAO Schrader commented that as soon as he had narratives, he would send them along to the Board.

In response to e-mail requests from members of the Board requesting consideration of televising the Board of Finance meetings during budget discussions, ACAO Schrader stated that he spoke with Channel 17 regarding this and that Channel 17 is willing to do this free of charge for the month of January. These events would not be run live but rather be taped and run some other time. The Board agreed that there would be a benefit to televising the budget meetings of the Board.

6. CAO Leopold's November 13, 2010 Letter to the Board of Finance re: School Department Retirement

Mayor Kiss discussed the fact that CAO would like to have this implemented next year. President Keogh would like to have a follow up to this issue and what like to know what the next steps would be. President Keogh has asked Mayor Kiss to follow up on this issue. ACAO Schrader noted that there may be a potential savings to the taxpayer by moving this issue to the school tax and not as part of the general City real property tax.

7. Dog Park Fines and Fees

ACAO Schrader is in the process of finalizing a report based upon information that was requested. Information should be made available within the next two weeks. Councilor Paul thanked Mr. Schrader for his efforts to get this information to her.

8. Charity Drop Box Issue

President Keogh stated that he has received an e-mail from Councilor Berezniak requesting up to \$5,000 to construct and install a charity drop box on Church Street. President Keogh suggested that the Board request that the Marketplace share the cost of this initiative. Mayor Kiss indicated that he would explore this issue with Councilor Berezniak and Mr. Redman.

9. Minutes of Board of Finance Meetings

ACAO spoke regarding the retention of audio tapes. ACAO Schrader commented that the tapes for the Board of Finance are retained for minimum of two years. He stated that the City currently has four years of tapes in the vault, although the state law only requires the City to keep them a minimum of two years after the minutes have been approved. Councilor Wright suggested keeping the minutes for a longer period of time as the minutes don't reflect everything that has transpired at the meetings. ACAO Schrader suggested having a Standard Operating Procedure established and having this approved by the Board. In response to a question, ACAO

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Schrader stated that he is currently exploring other methods of recording, distributing and storing the minutes of these meetings. The Board has requested that ACAO Schrader provide recommendations to improve the recordings and minutes of the Board of Finance meetings.

Councilor Wright asked that the Mayor provide an update on the tax increase proposal that is being contemplated. The Mayor responded that we continue to look at this issue from both a revenue and expense perspective and, through these meetings, hope to be able to come to a recommendation for the City Council's consideration on January 24, 2011.

There being no further business, the meeting was adjourned.

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